



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Company Law Division*  
(Enforcement Department)

*Before Abdul Rehman Qureshi, Commissioner (C.L.D)*

*In the matter of*  
*M/s. MacDonald Layton & Company Limited*

Date of hearing December 18, 2003

Present Brig. (Retd.) N. Humayune  
Chief Executive Officer/Chairman

## **ORDER**

This Order shall dispose of the proceedings initiated against the directors of M/s. MacDonald Layton & Company Limited (hereinafter referred to as the “Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The Company was required to prepare and transmit to the members and simultaneously file with the Commission quarterly accounts for the quarter ended March 31, 2003 by April 30, 2003, which were filed with the Commission on August 06, 2003 i.e. with a delay of 3 months and 5 days. A notice dated August 29, 2003 was therefore served on the Chief Executive and its directors calling upon them to state as to why penalty as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed on them for the aforesaid contravention.

3. In reply to the aforesaid notice, the Chief Executive of the company submitted that the company has been driven to a penniless state by the NCBs who are holding on its credit-line assets against false claims over the last 20 years. As a result the company has not been able to pursue its normal functions, even it is unable to pay to its directors for over six years and the subordinates for the last three years. He further stated that the company is subsisting because of the rare show of fidelity by the three individuals namely the Chairman, an Executive Vice Chairman and an Accountant who have no secretarial services or working facilities available to them. He requested that in the interest of the public subscribers, MLC may be treated as a company in temporary suspended animation and being a unique case, be granted general condonation for the performance of its corporate functions, until its fortunes improve.

4. In order to provide an opportunity of hearing, the case was fixed for hearing on December 18, 2003 at Karachi. On the said date, Brig. (R) N. Humayune appeared before me on behalf of all the directors and reiterated the same arguments as were earlier submitted by him in his written reply. He, however, requested for condonation of the default/ delay.

5. I have given due consideration to the submissions of the authorized representative and found no merit in the grounds furnished by him for late-submission of quarterly accounts. Poor financial health or other problems do not justify non-compliance with the legal requirements of the law. The Company has failed to file the quarterly accounts for the quarter ended March 31, 2003 within the prescribed period, which were received in the Commission on August 06, 2003 i.e. with a delay of 3 months and 5 days. Moreover, the Company's past record is also unsatisfactory with regard to compliance in submission of earlier quarterly accounts.

6. In view of the foregoing, the default is considered willful, however, taking a lenient view of the fact that the company is in financial crises, I impose a token fine of Rs.10,000/- (Rupees ten thousand only) on the Chief Executive of the Company only. The other directors of the Company are reprimanded to be careful in future.

7. The Chief Executive of the Company is hereby directed to deposit the fine amounting to Rs. 10,000/- (Rupees ten thousand only) in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this order and to furnish receipted challan to the Commission.

**(Abdul Rehman Qureshi)**  
Commissioner (C.L.D)

**December 30, 2003**  
**ISLAMABAD**